



SHARED VALUE APPROACH AS AN ALTERNATIVE TO CSR

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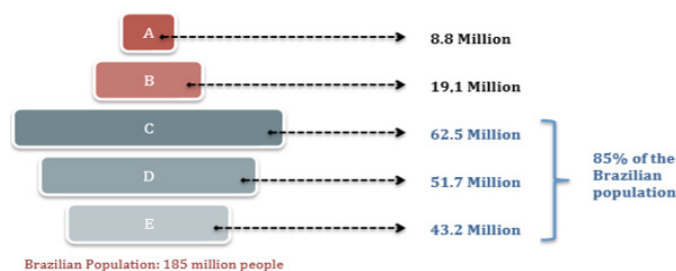
ABSTRACT

This study looks at how CSR is currently seen and whether or not it will continue to be used as an institutional strategy. CSR is steadily making its way from the periphery to the centre across a range of commercial businesses, NGOs, and the general public. These days, no significant business plan is complete without a declaration on corporate social responsibility (CSR). At its core, CSR entails doing more than simply focusing on how to maximise profits; it also includes a broader commitment to fostering societal progress. However new practices like shared value approach as an alternative to CSR is being practiced in many companies. The goal of shared value creation is to better understand and connect society and economic progress. This paper analyses the practical implications and future perspective of CSR and Shared value approach as an alternative to CSR with respect to Coco Cola.

KEYWORDS: CSR, Shared Value Approach, Sustainability

INTRODUCTION

Policies and operational procedures that improve a company's competitiveness while also improving the social and economic climate in the communities where it works. Target possibilities, such as creative uses for recycled products, zero deforestation practices, or renewable energy sources. They can also be used to target long-standing social problems, such as access to treatment, employment self-determination opportunities or improved agricultural techniques (Pfizer et al., 2013). While it substantially tackles social and environmental issues, it also enables them to do so on a large scale. Despite playing important roles in tackling societal concerns, governmental and social organizations' resources pale in comparison with those of corporate companies. Coca Cola, an American company established in 1892 that specialises in producing and selling syrup and concentrates for Coca-Cola (Puravankara, 2007). With a variety of more than 125 products that include standard flavours and low-calorie versions, the Coca-Cola Brazil System operates in eight areas of the non-alcoholic beverage industry: water, tea, soft drinks, nectars/refreshments, energy drinks, isosmotic drinks, and dairy drinks (Sawayda et al., 2014).



Source: (Schneider, 2016)

Practical implications

The System, which was created by Coca-Cola Brazil and Twelve Brazilian bottling companies, directly and indirectly, employs sixty-six thousand people in Brazil. The various strategies adopted by Coca-Cola in Brazil have helped the company and also the country. Coletivo Retail started by the company has helped to enhance community development which helped various students and helped various small businesses to grow better (Kim, 2018). The organisation started a fascinating research project with the Brazilian consulting firm FSG to assist us to execute the shared value concept more quickly. Coca-Cola highlighted skills development among low-income adolescents as a key social concern for strategic focus in 2008 after researching the demands of Brazil's expanding lower middle-class population for six months (Banks, 2016). Whereas the Brazilian government was reasonably successful in ensuring that all children received a basic education, the majority of young people from low-income families had little to no opportunity to find employment due to their lack of relevant skills and the scarcity of employment opportunities in their neighbourhoods. The activities carried out by the company are based on the following five steps.

Class A (the very rich)	In Brazil classes A and B represent the upper and upper-middle class and generally consist of those who completed higher education and take over positions as bankers, directors, managers, politicians, major landowners, doctors, well graduated professors, lawyers, etc.
Class B	
Class C	Class C represents the middle class who, in most cases, has finished high school and works as teachers, managers, electricians, nurses, etc.
Class D	This class is formed by people who have not finished high school and usually work as housemaids, low-paid drivers, small stores sellers, bartenders, bricklayers, etc.
Class E (the very poor)	Class E is characterized by a high degree of illiteracy and people have not finished elementary school. Class E earns minimum salaries, working as cleaners, street sweepers or are unemployed.



Source: (Porter et al., 2011)

It starts with **investing in the various societal problems**, Coca-Cola identified low-income youth skill development as a crucial social issue that requires deliberate attention. While the Brazilian government was reasonably successful in ensuring that all children received a basic education, the majority of young people from low-income families had little to no chance of finding employment due to their lack of relevant skills and the scarcity of employment (Jiao & Xie, 2013). The next step is to **find out the opportunities**, Given its wide reach and connections to retailers and bottling partners, Coca-Cola Brazil was well positioned to meet these objectives. But new approaches and a willingness to take risks are needed to move forward. Business and community leaders were brought together by Coca-Cola to co-create its shared value strategy. Then, the **execution of the Programme**, teaches retailing, company development, and entrepreneurship to local children for two months while partnering them with a local retailer to gain their first work experience and offer suggestions for improvement. Coca-Cola made the hypothesis that with trainee support, small stores might dramatically enhance their operations, leading to higher sales of Coca-Cola goods and greater consumer penetration within the developing lower middle-class group (Jenkins et al., 2013). The next step is to **track the program**, Each community's Coletivo supervisors track the number of participating adolescents, the number of participating retailers, and the success of those retailers over time as they measure and report success every month. The business also keeps a careful eye on the charges related to the effort to guarantee its efficacy and efficiency. The final step is making **follow-up and taking corrective measures**, So far, the Coletivo Program has had great success. A little over 30% of the young people who receive training get their first job with Coca-Cola or with one of its affiliates right away, and at least 10% launch their businesses with help from the company's microcredit programme. A Coletivo site investment becomes lucrative from a business standpoint in about two years. Coca-Cola uses insights and data to open up new value creation, integrating shared value planning and measurement phases (Vanessa Lima, n.d.).

The company have various kinds of commitment to the society in which it operates. Adoption of corporate social responsibility practices are vital for the existence of a company, most companies treat such practices as their obligation and they fulfil such activities for name sake only such activities may concentrate on the commitment of responsibilities. But the **shared value concept** concentrates on providing a **solution to various kinds of societal problems**. The activities connected with improving shared value have a long-term impact on the profitability of the firm. The activities have a wider perspective

and they have a positive impact on the lifestyle of people who are having a very low income. Productivity of the people and proper training in the region were increased due to the efforts. Identification of the various skills of the people increased their **self-confidence** and **women empowerment** is also made possible through these efforts. All such activities in turn resulted in reducing unemployment and increasing the standard of living. Hence the activities created a good active market for Coca-Cola and also for the people in Brazil.

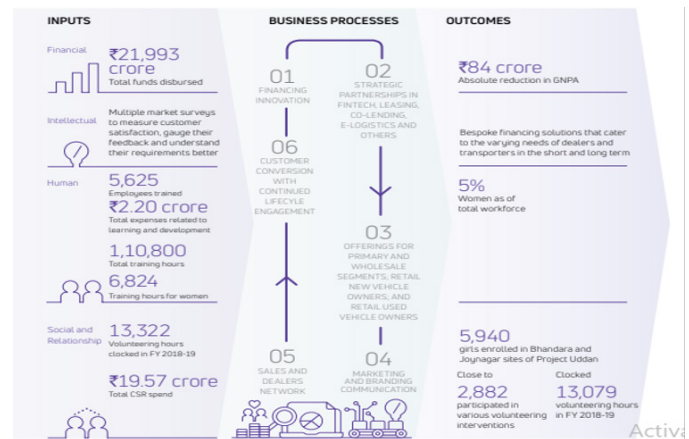
Brazil was Coca-Cola's second-largest overseas market after Mexico and its third-largest operation. Despite being a sizable market and Coca-Cola's third-largest operation, Brazil had a comparatively low average Coke consumption. Only 144 bottles, every 237 ml per person were only consumed annually in Brazil. These occur due to the low-income level of the people and their low brand engagement. The company operates in a highly competitive developing market in Brazil (Peddar, 2021). The Coletivo retail program has various social implications in Brazil and also have positive implications on the **brand value**. The people in the country especially women and youth are more empowered as a result of the various kinds of training and other practices offered by the company to the people in that particular control group. An eight-week education offered by **Coletivo Retail** combines skill development, practical experience, and access to and readiness for employment (Kim, 2018). The first skills training was primarily centred on the technical aspects of retailing, but as students' success was delayed by a lack of self-worth and confidence, imparting various **life skills** was added as a crucial component of the programme. An attempt was made to increase the ability of the NGOs participating in the campaign after a monitoring system demonstrated the value of a robust NGO integrated solution with physicality in the community. Brazil is one of the most highly populated countries in the world, and establishing a successful market in such a country will have long-term implications (Coca-Cola, 2020). The strategies adopted by Coca-Cola in Brazil helped to expand their customer base and also increased the purchasing power of the customers. Business revenues have dramatically increased as a result of enhanced small store productivity, higher incomes, and the economic independence of youngsters and their families inside Coletivo communities. The connections between the programmes and the possibilities for end-to-end solutions supported by the shared training programmes are a major factor in Coletivo's success (Gertner et al., 2005). For those who would not otherwise be organised, the recycling model allows them to succeed economically. The recycled bottles are used by artisans and which increased their income also (Jenkins et al., 2013).

The goal of Coca-Cola Brazil is to connect with all customer types in the nation, particularly in the key markets where it competes. The Coletivo model enhanced the market share of the company and created a greater value for the firm in the minds of the customers. Due to higher productivity and income levels in the years following the program's inception, the company's revenues in Coletivo villages climbed on average by 9.5 percent annually (Vanessa Lima, n.d.). The sales growth is increased due to the direct initiatives in Coletivo as the income

level and brand engagement of customers were increased due to this initiative. With a market share of 55% in terms of sales volume, the Coca-Cola Company holds a commanding position in the soda market in Brazil. Women empowerment has a direct relationship with increasing household income, such activities are also the consumption of beverages (Schneider, 2016). The Coletivo program was a great success especially for the company also, it was able to generate more profits and the programs helped the company to penetrate new and unexplored markets. The perception of customers towards the brand was also increased and these all things indirectly lead to greater brand recognition and awareness.

How it can be practiced in Indian companies

Tata Motors is one of the reputed automobile brands from India. Tata motors is a leading vehicle manufacturing company in India. The company have international access to a wide range of products. Tata Motors Ltd. Sells commercial and passenger automobiles, as well as offers finance for the vehicles purchased (Tata Motors, 2020). It offers engineering and automotive remedies, manufacturing of construction equipment, and supply chain operations for automotive vehicle components. Over 2.4 million trees were planted in the Jamshedpur region by Tata Motors, including 80,000 plants in the township and 80,000 trees at the factory. The workers in Pune have been urged to form a variety of industrial cooperatives involved in beneficial tasks like welding, baling steel scrap, assembling battery cables, and recycling scrap wood into furniture (Anita & Yadav, 2014). The Tata Grihini Social Assistance Society helps female dependents of employees; they produce a range of goods, such as pickles and electrical wire harnesses, making them financially self-sufficient (Mitra, 2011). Tata Motors has established numerous scholarship programmes for children's higher education. The company played a vital role in the rural development of India. The various activities carried out by Tata motors including the training of various unemployed youth and assistance to the women helped the company to expand the standard of living of people, especially in Jamshedpur and such activities created values for the company and the people in India. The activities created a good brand image to the brand and also increased its goodwill and reputation in the minds of customers (Maji, 2019). According to the study, 82 percent of Indian customers prefer to patronise businesses that match their convictions and values and steer clear of those that don't while purchasing goods and services ("Integration of CSR Strategy Model in Organisations," 2019).



Source: (Report, 2019)

The Coletivo model adopted by Coca-Cola in solving the societal problems has a greater impact on the company in Brazil and as a result of their activities, their customer base and sales revenue increased. The case of Tata motors is also similar in that the activities carried to the societal development of India have helped the company to increase its customer base, as well as its brand value of the company, has increased. The company is a corporate citizen if it does the most good for society then, it will have a positive impact on the financial performance of the company. Businesses that advocate for something greater than their products are often more likely to draw customers and have an impact on purchasing behaviour, which increases competition.

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